

**Chief of Naval Operations  
Adm. Jonathan Greenert**

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**Moderator:** Tonight we're going to shift focus a little bit and talk in significant part about the Asia Pacific because to our good fortune Admiral Greenert is just back from a very unusual trip to China where he met with the Commander of the Chinese PLA Navy, Admiral Wu, on a four day visit. This is, I believe, the fourth visit you've had with Admiral Wu in the last year, and as General Dempsey said last night, military to military cooperation with China has probably never been as close in the modern era as this. And yet, as we know from reading the newspapers, this last year has been a year in which Chinese behavior has been very worrisome to its neighbors in the Asia Pacific region and to some extent to us.

So I want to ask Admiral Greenert to begin by telling us about his visit to China. A number of specific questions, but let me just start by asking you what your basic take-away was after spending four days with these folks.

**Admiral Greenert:** Thank you, David. Before I start I've got to thank Chuck again. If he'd filled in it would have been just fine, because we appeared before the Senate Armed Services Committee together, so he knew what I was supposed to do for the last three years and he could have just repeated that.

This was an extraordinary visit with Admiral Wu and what it was, it's called a counterpart visit. He had come to the United States in September of last year, and we sat down and we looked at each other and said are we going to trust each other? We have to figure that out. Our two presidents just met at Sunnyland and said that we are going to find ways to build confidence and cooperation, not conflict, and that was passed down to the Secretary of Defense, and Secretary Hagel passed it down and said you guys get to work. The requisite services.

So we sat down, Admiral Wu and I, and we wrote down eight things that we thought we could do to move ahead in this. We could, the Rim of the Pacific exercise that took place. He had some ideas on learning more about carriers. Personnel exchanges. More exercises.

**Moderator:** I should just note, the Chinese have been part of these 22 nation RIMPAC exercises which are still going on as we speak.

**Admiral Greenert:** So what this really was was my coming back to him and saying all right, it's been since September. Where are we? Where do you want to go from here?

So we actually sat down, of those eight things that we set down, two are reconciled there at the Rim of the Pacific, called RIMPAC, and they're doing fine. They're doing about average compared to all the other fleets, which is interesting. We can talk about that if you like.

**Moderator:** It sounds reassuring, actually.

**Admiral Greenert:** Average is good enough. It's not what they thought. It's a little difficult, multinational exercises.

The other one is, they want to learn a lot more about our carriers by coming aboard our carriers with experts. We said we're not ready for that. [Laughter]. But we're ready for the remaining six. Because to me, we have to manage our way through this. We have to manage our way through behavior, we have to manage our way through the fact that we have 40 year old people commanding ships and we have civilian mariners out in the South China Sea, and we have to have consistent means of behavior and protocols.

So we sat down and went through that, and it was a good visit. It was frank. It was respectful.

Then he opened some things up that I really wasn't sure we were going to do. I went aboard their carrier. I'm the first uniformed person. I think you know Secretary Hagel went out there on board the carrier a few months ago. And we went, not stem to stern, but throughout a lot of it. Then we went to a submarine. Then we went to a destroyer, about a 2000 ton, almost the length of a football field. And then on one of their patrol craft. And we walked through it, answered a lot of questions, and met with their crew. They brought about 20 percent of the crew of their carrier sat down and we shared some stories and they asked me some questions. I talked with their staff.

And one last thing I would mention to you, I asked to meet with really their, it's called the State Ocean Administration. It's the entity that commands their coast guard and had a discussion with them on behavior and where they want to go.

**Moderator:** I want to get in a minute to the issues the Coast Guard is dealing within the South China Sea and the East China Sea. But first I want to ask you about this Chinese aircraft carrier. This is, as we read, a former Ukrainian commissioned aircraft carrier that's led to a lot of anxiety in the Asia Pacific and among some of your colleagues in the U.S. Navy about China's aspirations to build a deep water navy.

So let me just ask you first, what's it look like? What kind of ship is the Liaoning? How are they doing in operating it? Do they seem to have the level of sophistication that you think they'll be able to really operate that and project power in their region?

**Admiral Greenert:** It's very Russian. That means it's big, it's heavy, and it's onerous. So what they have done, I'd say it's like buying a big old house and then you take everything out of it, all the appliances. You strip it all down to just the basic structure, and everything they put in is very modern and Chinese, and you can see that. They have remodeled the carrier. To the point where about 65 percent of the weight and the material inside is Chinese. So that's kind of one. So it's modern inside.

Two, they took it to a shipyard in Dalian which is up north. It's very modern, very big, and they turned it over to them and said fix this thing up. If you do well, you'll build the next one. So that's going well. They will build another carrier probably relatively soon. It will look just like this one they said. Ski ramp. About the same tonnage, 65,000, 70,000 tons.

So it's rudimentary by our standards. We launch and recover aircraft, in a day we can do 100. They do maybe 10. They have a series of maybe 10 test pilots that are taking off and landing. But they're moving on a pace that is extraordinary. It's a research and development ship for them. They may take it further out but they haven't taken it any further than the South China Sea without aircraft. They've taken it in the Yellow Sea close to land with aircraft. So they're just moving along right now.

**Question:** Did you ask Admiral Wu or others on this visit how they intend to use this aircraft carrier and future ones they may build? And are you worried about their ability to project power in the Asia Pacific where we've been so dominant?

**Admiral Greenert:** I did ask them. He said this is for research and development, for us to develop what will be a blue water aircraft carrier navy. I think that he may be wanting to do this on his watch. He's got about four and a half more years. To do what? To have this carrier out to sea, like we do, with a series of destroyers around it and the ability to launch and recover aircraft in the tens and maybe twenties. But I'm not overly concerned right now. They have a lot of work to do. That's number one, before they can even come close to what we can do.

Two, it's big. It's an aircraft carrier. You have to protect it. Every time something takes off it's got to come back and land unless you're going to go ashore, and then why do you have an aircraft carrier if you can't operate away from shore?

So it becomes a liability in a strange sense. There's a lot of work to be done. I'm not really concerned at this point.

**Moderator:** Let me also ask you about the exercises that you mentioned, RIMPAC, which are off the Hawaiian Islands. There are members of Congress who have been critical of the administration, of the Navy for inviting the Chinese to take part in this exercise, basically saying the Chinese have been very aggressive in the region in the last year, and why are we rewarding aggression by inviting them to join this operation, observe what we're doing, learn from us, learn new skills that they could end up using to threaten their neighbors and even the United States?

**Admiral Greenert:** Well, the Russians have come to RIMPAC for some time, off and on, but they've been an invitee, and there's been no squabble about that.

Look, the fact is the Chinese are a member of, if you will, a neighborhood there, the Pacific. They're a growing navy in concern with a growing economy. We want them to come and operate with, if you will, the neighborhood, with responsible nations and navies.

A lot of what we did out there was building communication, was building professionalism, was building medical expertise, humanitarian assistance, disaster relief, counter-piracy, counter-

smuggling. We weren't out there doing missile exercises and anti-submarine warfare and as some say giving away the farm. It really wasn't that. There is exposure, there's no question, but there's exposure both ways.

So it is in my view something we have to manage through, we have to develop with them, and with that engagement can come perhaps shaping.

**Moderator:** I'd be interested to know what deficiencies you saw in terms of their operating capability. You mentioned that they were kind of middle of the pack. What are they not doing as well as some others?

**Admiral Greenert:** It's difficult to join a multinational exercise as a newcomer. It tends to be communications and of course there's always translation. That becomes an issue.

They did some gunnery exercises and they did okay. Like I say, average compared to others. So I guess maybe they can improve that, but they were improving by the end.

Some of their equipment was not ready for doing things like take-downs, counter-piracy, counter-smuggling, you send small boats in the water, go over and take a ship down. It's just getting used to it.

Make no mistake, they have modern equipment, they have motivated crews, they are professional. It's just working together and building up. So they had some hitches.

**Moderator:** Give us your sense after this visit of the maritime issues of tension and even confrontation in the South China Sea and the East China Sea. I'd be interested in what you learned, if you raised those issues with Admiral Wu. And also, what you think can be done to deconflict our Navy's operations and those of the Chinese.

One of the incidents over the last year that was worrisome, I don't know if it's right to say a near collision, but a pretty close call, 100 yard margin between U.S. Navy ships that were operating and Chinese ships that were getting too darn close. So tell us about that. I know that one of the issues you're thinking about is something you're calling the Code for Unplanned Encounters at Sea. If that came up seriously in your discussions, tell us about that.

**Admiral Greenert:** It sounds like something the Pentagon would make up, right? CUES. Got to have an acronym.

**Moderator:** Yes, CUES is what we're calling it.

**Admiral Greenert:** I'll tell you what, that was international. We didn't make it up.

But seriously, I have a picture if I can put it up, which shows what we all refer to as the Nine Dash Line. The Nine Dash Line, imagine a dashed line that starts up in around Japan. You come down through the Philippines, work your way around Malaysia in that lower dip around, and that defines the South China Sea.

The Chinese have come forward and said hey, this is our water now. This is our near sea. And the islands within it, many of them, are ours. We said excuse me, but we missed that memo. In other words, what is it that this is based on? It's not based on an international process. What is that basis? Because we need to talk about this.

So David, that becomes kind of the essence of the squabble. The islands with it, they say they're ours.

The international norms are, you have a land mass and then there's a distance from that, 12 miles is territorial seas; 120 miles is what we call the exclusive economic zone; where you have some control or regulation over foreign entities operating in there for various reasons. That's the essence of the squabble.

Within that Nine Dash Line, that South China Sea, there are several islands and shoals, and Vietnam, Taiwan, the Philippines, Malaysia, all have various claims to them dating way back. The Chinese are a little late to this in making this claim. They haven't really, if you will, filed it or brought it to an international forum.

Again, what do we do now?

Well, we're talking about it. We've been very straightforward. You should bring this to an international forum. You should come and talk about it. Any squabbles, any disagreements need to be managed diplomatically, not pushing around, not aggressive, and that is our policy.

In the meantime, to me -- I use the word again -- We have ships out there operating. We've been in the Western Pacific for decades and we're not leaving. And they recognize that.

Admiral Wu said I know you're out here and I know you're going to grow out here. I'm okay with that. But I need to work this through, I have rules too.

So the point is we need a protocol, a set of protocols that we all agree to and that's that conduct from Unplanned Encounters at Sea.

**Moderator:** I'm wondering whether you think the Navy should be in the business of signaling to the Chinese day to day that we and our allies and friends in the Pacific do not accept the Chinese Nine Dash Line and that we're going to be present to make sure that they don't seek to take advantage of this claim that we don't think is justified. Should our ships -- For example, when the Chinese move into what we regard as Vietnamese waters with an oil drilling rig, what should we do about that, if anything?

**Admiral Greenert:** It's disputed water. That was actually a distance outside of the territorial waters of Vietnam. It was in waters that, again, they claim and so do China. So we say aggression is not the way to solve this. Bumping, ramming is not the way. Somebody's going to get hurt and miscalculation. Once again, we send out 40 year old civilian mariners -- I use that name. That's young in my book. And they have limited experience and they have our sailors

with them and they have Chinese sailors, Vietnamese sailors. We need a consistent management of protocol, a way to behave out there. And meanwhile our policy-makers sit down and work this out using the international process. The United Nations Law of the Sea, Convention of the Law of the Sea Tribunal, and other means.

So we do state up front, if challenged, that you are in our waters. No, these are international waters. Our folks have that protocol and the Chinese expect it.

**Moderator:** What would you say if a naval officer from the Philippines or from Japan or from Vietnam said to you, Admiral Greenert, I saw the pictures of you during your visit to China with Admiral Wu and they made me nervous. Here's a country that's trying to push its weight around and our friend and we hope protector, the United States, rather than focusing on our worries, is trying to do more military to military cooperation. What would you say to that, because I'll bet you get this question, to that Japanese or Filipino officer?

**Admiral Greenert:** Well, there are a few things I can say. One, here's a picture of your Chief of Navy with the rest of us at the Western Pacific Naval Symposium in Qingdao in April where we all signed the Conduct for Unplanned Encounters at Sea. Because we have a forum, a series of forums if you will, fora, where we get together and we do that. We have counterpart visits where the Korean Navy, actually the Japanese government, Chinese government, are looking for an opportunity to maybe develop the means to start a communication.

But I go back to 1987 whenever the Chairman of the Soviet military, you might recall, came to the United States at the invitation of Admiral Crowe who said we have to have dialogue, regardless of the differences. It's not that there's no hope, there's great risk. That led to a conversation my predecessor, Admiral Carl Trost and the head of the Soviet Navy.

So there are communications going around, going on, if you will, internationally in several instances, and we have to continue it, in my view.

**Moderator:** I think most of us would probably think that at a time of rising tensions the ability to communicate with people who might pose threats is a good thing. So I'm sure you'll be conveying that message to Japanese and Philippines officers, and also to members of the U.S. Congress.

I want to ask you one final China question, and it's kind of a long range question you hear discussed increasingly in Washington. It's obvious to people who look at our rising production of shale oil and gas that we are becoming in a way we didn't imagine a decade ago, an energy super power. Our need for oil from the Persian Gulf, one of the main reasons that we have insisted on having dominance as a deep water navy, is going to be less. Others will need that Middle East oil, but we'll need it less here in the United States.

So you hear people ask whether the Chinese, as arguably the people who most depend on those energy supplies in the future, should play a greater role in the very expensive job of keeping the sea lanes open. I want to ask you, as the Chief of Naval Operations, whether you think we

should plan for a world in which we hope to have China as a partner in protecting the sea lanes, or whether that's radically contrary to our interests and we should do what we can to prevent it?

**Admiral Greenert:** I think again, my opinion, to be responsible members of the world order and needing the energy you just described in Malacca and Hormuz, but we're hyper-connected, as Thomas Friedman says, all around the world. We need to keep all of the crossroads, all of the straits open.

But I could see that. I've asked Admiral Wu when are you going to go further with what you're doing? Which is today they have three ships in the Gulf of Aden doing counter-piracy patrols.

By the way, joining them are two Japanese ships, a Korean ship, a Bangladeshi ship and a Turkish ship. So they're not all holding hands out there but they are doing the business of keeping those waterways open.

Another opportunity could present itself in counter-mine. Recently the Japanese are talking about this concept of a collective self defense. One example that Prime Minister Abe uses is being able to participate in counter-mine to keep the Strait of Hormuz open. That is an international responsibility, I believe, because internationally we're connected. We need those waterways open for all of our economies and all of our energy.

**Moderator:** So I hear you saying that a world in the future where the Chinese see a role for their navy in let's say helping keep the Strait of Hormuz, the Strait of Malacca, these key waterways, keep them open, is something that we would not regard as a threat.

**Admiral Greenert:** I would not. I'll give you another example.

Today we are, as you know, we're doing hydrolysis on some very bad chemical weapons. We're doing this in the Mediterranean with one of our ships. Protecting those ships and the passage to and from Syria and that are Chinese ships, Russian ships, Korean ships, again, NATO ships. We can do this. And I think done correctly it shouldn't be viewed a threat, if we do this deliberately and properly, using the international processes we have in place.

**Moderator:** I want to turn now to every senior military officer's favorite subject, which is the budget. We have been hearing from General Odierno, from General Dempsey, tales of woe, tales of real difficulty ahead because of sequestration under the Budget Control Act. As we've been hearing the message over the last two days, it sounds like this. That for this year and next year, thanks to some fixes that Congress enacted, the severe crisis can be postponed. But come 2016 and years beyond that, we have a real problem. General Dempsey sure got my attention last night when he said, I think I heard him say this right, "We will no longer be immune from coercion in the world that's ahead." That's a pretty tough statement for the Chairman of the Joint Chiefs to make.

So I want to ask you from the perspective of the Navy, how this issue looks. And let me ask you to start with the basic symbol of American power projection which is aircraft carriers.

Under what you currently have to assume is the budget picture going forward, what's going to happen with our aircraft carrier fleet?

**Admiral Greenert:** Well, if we have this scenario, the Budget Control Act, we'll go to at least 10. We have 10 today, building one. It's almost done, which would take us to 11. We would go to 10 as a minimum. The aircraft carrier George Washington, which is kind of a subject of discussion. We have put money in our budget in '15, looking towards '16, to take her in, remove the fuel, and prepare for either retirement or refueling and further overhaul. And that '16 budget will be key. That happens in '16 and '17.

So we'll have at least 10 aircraft carriers. That's not enough, David. That's not enough to meet the presence and the requirements of the world today as defined by the geographic combatant commanders.

**Moderator:** I know I saw something on a Navy information site that said the number of aircraft carriers in fact could go down to eight. Is that -- This was assuming, again, that your budget control problems don't get better, but stay where they are.

**Admiral Greenert:** That's feasible. Given a certain set of circumstances, a certain budget level which I don't know what the speculation of that budget level was. It could go down as low as eight. The issue becomes, if you can't afford to rebuild a carrier in '16, the next one comes along four years later. Is there more money then? And if not, what happens to that one? Okay, so you don't refuel that one. And then you see you're on a different road here. What does that mean to the industrial base for repair?

My biggest concern under sequestration is our ship industrial base. Because we have to take a balanced reduction, if you will. Build less ships for the future and retire some ships early because we've got to sustain our people. When we've had budget adjustments in the past, we developed an issue which some call the hollow force. The issue with that part was we had a force, people, who were unmotivated, on drugs, they weren't getting trained and their morale was bad and we weren't retaining them. That spiraled down and that took us 15 years to recover from.

So if we have this period of say a budget reduction and then all of a sudden money comes back we've got to get the people right. So the balance becomes the ship building plan, the aircraft plan, and the number of ships we have today.

**Moderator:** One key issue, thinking about the money that you're going to have, is the replacement of the Ohio Class nuclear submarines which are part of our nuclear deterrent force, a key part of it. And looking at some material getting ready to talk to you, I saw that the first of these Ohio replacement submarines I think due to come on line in 2021 will cost \$9 billion, and that follow-on ships will cost \$6 billion at least. And I think the question that we would ask you as you try to juggle scarce resources, is whether the Navy and the country can afford a ship that costs \$9 billion?

**Admiral Greenert:** I understand. That's a good question.



First, we're part of what's called the triad. We're the undersea part. That is the most survivable, most reliable, and the one in the future which will carry at least 70 percent of the burden for our strategic nuclear deterrence. That's a policy set by others, delivered to us, and we organize, train and equip and provide those forces, as you mentioned, in this case the Ohio submarine. Its replacement, the Ohio replacement, the first which carries the burden of some of the research and development, will cost \$9 billion inflated to those terms. You're building this to last 50 years, so the technology, the quieting, and all that goes with it is really postured to be able to again, if you amortize that, and I'm not saying hey, it's a bargain. I'm saying you have to think through a 50 year process here. That's what it costs.

We've scrubbed this thing a lot of ways in the Department of Defense, and that is expensive and we're looking to drive it down. But that's the money it costs.

**Moderator:** Another issue that I found scary involves your basic nuclear technology. You told Congress earlier this month that the cuts that you're making to your naval reactors program are no longer sustainable, and if I read this right, you can't, given the cuts that are proposed, you can't guarantee safety, reliability and development of the nuclear navy going forward with these numbers. Is that true?

**Admiral Greenert:** Yes. You have to put a comma. And do the required research, and do the required training. So my point is, David, we would always have safe and reliable nuclear reactors. That's where we would have the preponderance of the money. And as you can see, the good Lord has just said that he agrees with me. You heard that rumble.

**Moderator:** I think that was the delayed response to the \$9 billion ship.

**Admiral Greenert:** The point is, that same budget, as well as doing the safety of our plants, does the research and development for the next nuclear reactor and also trains all of our nuclear kids. To do that training, as established by Admiral Rickover years ago, and what made that program so strong, was they train on actual nuclear reactors. Small training reactors. It's a very very high standard process.

**Moderator:** I'm going to ask you, because you are a submariner. You commanded four, you commanded one submarine and you served on four. I was told by one of your junior officers that you were in fact the first submariner to be Chief of Naval Operations in 20 years. I want to ask you what the world looks like if you're a submariner. By that I mean there are a lot of areas where American military dominance is challenged, but people make the point to me that undersea is not one of them. That this is an area of, at present, basically total American dominance. We can go anywhere and basically do anything. And I want to ask you, is that going to continue?

Other countries have got to be building submarines at a rapid rate. We read about Iranian submarines, we read about all kinds of countries. And I want to ask you, is that dominance you have now something that you think can be sustained?

**Admiral Greenert:** Yes, I do. I really do.

You mentioned the cost of an Ohio class replacement. That kind of technology and that kind of quieting and that kind of reliability in your systems is what makes us what I call own the undersea domain. We can go anywhere we need to. I have a lot of empirical data that I get as the Chief of Naval Operations. And I think we are good for about a decade, just under a decade, for that but we must look ahead and continue, as you mentioned before, to be vigilant and invest to be dominant and own that undersea domain. We owe that to the country, to the citizens, as something we just won't be challenged on.

**Moderator:** I want to ask before we turn to the audience for your questions something that I asked you when we met a year or so ago. I was in China a couple of years ago and I interviewed one of their defense experts who teaches at a university near Shanghai, and I asked him whether Chinese military experts are reading Alfred Thayer Mahan, the great theorist of sea power. And he said well yes, we read it but it's kind of an historical exercise for us. Although we are going to build aircraft carriers, we don't see challenging you ship for ship as a deep water navy as something that makes any sense for us. We want to be able to take out your ships if we have to. We want to leap over this generation of technology to the next one, to the disabling technologies -- cyber, beam, all kinds of new weapons that lie ahead. And we're not going to spend money on these enormously expensive systems that America does.

It made me think, as I said to you when we talked in your office, that I was worried that we would spend these billion, hundreds of billions of dollars maintaining our dominance in what I call legacy systems. We're going to build the best main frame computers forever, by golly. And mean while people are going to think, including the Chinese, maybe especially the Chinese, are going to jump over that legacy system technology into a new space and we're going to end up regretting that we spent so much and wish we'd spent more on unmanned vessels. Unmanned submarines. The kinds of things that challenge the Air Force in the world of unmanned.

So talk about that, and how you view legacy systems, if you will, and new technologies, and how to get that right.

**Admiral Greenert:** First, there's a say/do gap. What you say and what you do. So I go back to my trip, I just left [Mushan] base, Dalian, and of course the Chinese have come to Hawaii. They're building aircraft carriers that are conventional, number one. So that's going to need a lot of fuel. And number two, they've got to take them out to sea. They replicate a lot of what we did, and that's the path they're on right now, David. I would tell you.

So this leap, I don't see it yet.

Let me tell you a few things. Number one, we're looking at lasers, and as we speak we have a laser gun in the Arabian Gulf on a ship that we are testing. It's been demonstrated, shooting down a drone, and if you will, overheating fast craft at this level of power. So we're taking it out there to see how does it operate at sea.

We have unmanned aerial vehicles that we've launched and recovered on an aircraft carrier. Put a program in place to continue to do that.

We have unmanned underwater vehicles and we expect to have autonomous underwater vehicles that can search, bring information, come up to the surface, send the information and then go back down. We'll be deploying that within about three years.

So we're into unmanned, we're into laser, we're into cyber in many many ways beyond the classification of what we're talking here. We're into power systems for the unmanned underwater vehicles that can go on for long periods of time.

So I too agree, just more kinetic, more missiles, that's not the way ahead. The way is the electromagnetic spectrum, to get in and spoof, to jam, to fry if you will, micro, and that's the way of the future for us as well.

**Moderator:** I should ask, before we turn to the audience, whether you had any conversations with Admiral Wu about cyber. This has become a huge issue between the U.S. and China. Does that come up in mil to mil discussions?

**Admiral Greenert:** It did in September, and that was before of course the indictment. But I was, when I was in Beijing, that was the fourth conversation that was taking place. There was the Strategic Security Dialogue that was taking place; there was the Security and Economic Dialogue; and then we had a host of DoD staff and Navy staff talks. They were talking cyber. I wanted to move on with the agenda that we had, Admiral Wu and I had, and not lose that time to move ahead with our cooperative measures.

But at dinner we talked about cyber a little bit.

**Question:** What did he say?

**Admiral Greenert:** Not much. [Laughter].

**Question:** He doesn't want to get indicted.

**Admiral Greenert:** I have bosses and rules and you have bosses and rules -- the favorite line we both use.

**Moderator:** Let me turn to the audience. I'm going to ask you please to identify yourself, to keep your questions short and as people have been saying, keep them questions.

**Question:** Good evening, CNO. Thank you for joining us. Don Loring, retired destroyer sailor, former Deputy Assistant Secretary of Defense.

Thanks for taking a very long journey and making it longer by coming here. We appreciate that.

You gave an absolutely invigorating set of remarks at Newport about strategy recently. I think many of us saw it on YouTube. You sort of challenged people for a strategy for the future.

If you take a look at some of the existing these we have, it's time to go beyond forward from the sea, from the sea, those things. And it can be claimed that the strategic initiatives of 2012 and the QDR of this year are in fact budget justifications, not a real strategy. Would you share with us what you might think the pillars and the tenets of the strategy you would like to see for the future, and taking advantage of General Jacoby being here, how you see the U.S. Navy's role in not only defending the homeland but ensuring the security of the homeland.

**Admiral Greenert:** Defending the homeland, security of the homeland, is priority one. It's concomitant with strategic nuclear deterrence. So when I do my budget I see to it that that money is put into a place that is acceptable, that I think I have met my requirements for that over to Chuck, then he gives me his comments, the debate begins. But in the end, he gets what he needs.

To your other point, for us one of the first strategic nuclear deterrence, homeland defense. Any strategy has to have that.

Number two, it has to involve presence. We need to be where it matters when it matters. We need to be out shaping, and if something goes wrong, immediately be able to respond to that.

Next, we have to be able to project power. For years, overseas. Not surging so much, but be able to come together and project power. That has to be part and parcel to it. We need to be able to respond with special forces and support our special forces.

So those are some key elements right there.

The presence piece, it has a subset to it, Don, it's a very large pillar. And rather than dragging this on, but those to me are very key elements. I tell my kids, when you think of anything, as long as I'm the CNO, warfighting is first, operate forward, and be ready. Those tenets put those lenses on and look at those pillars and tell me how you are doing in those regards. That to me is how I've directed our guys to build our strategy. Simply put.

**Question:** Thank you Admiral Greenert. My name is Monty Canny. I'm with the World Affairs Council of Orange County, California.

A few years ago, in 2011, I attended a similar conference to this in Washington and we went to the Indian embassy. At that time the Ambassador and President Obama had just gone to India that evening, so the First Secretary of the embassy pointed out that the U.S. Navy and the Indian Navy were conducting, at that time, in 2011, the largest joint naval exercises in the world.

As you know historically, India has had some rivalry with China. Are these exercises still being conducted? Are they still classified as the largest? What are your thoughts on that?

**Admiral Greenert:** That exercise is called Malibar. That has been a pretty comprehensive exercise with the Indian Navy that we've been doing for at least two decades. At that time it was the largest, and what made it the largest was they brought their aircraft carrier and air wing and their submarines out, and so did we. We did joint exercises under the sea. That's varsity

exercise, in that you can trust you won't run into each other under the sea. And in the air. And we exchanged pilots. It was remarkable.

Regrettably, we've sort of digressed from the comprehensiveness and complexity of that exercise, but it is alive and well. We just conducted it not long ago, and it involved front line destroyers as well as what's called the stealth destroyer which means it's fit very well to deflect radar, and also has some very good radar absorbing material and has a great set of sensors and weapons.

My point is, I think we're back on an up-slope. We'll see where Prime Minister Modi wants to go, and how we develop from there. But we are open to that in a deliberate manner. We haven't lost contact.

**Question:** Cal Nace, a retired guppy.

Sir, if we went to war with China tomorrow, what would be the two weapons you'd be most worried about the Chinese using? It's certainly not their carrier force.

**Admiral Greenert:** They have an extraordinary cruise missile, selection of cruise missiles and ballistic missile force that they developed. So the question is where we're going to war. If it's in their back yard I'm a little worried about their ballistic missile because of its reach, and that's both land -- Again, we would speculate on the scenario.

But what I would tell you is that those are two systems they've invested highly in, those two. The cruise missile and the ballistic missile.

**Moderator:** Just to follow up on that, what would you say to a criticism that's made in Washington increasingly that your plans for the littoral combat ship need to be rethought because those ships are just not, they don't have the fire power to defend themselves against the kind of weapons the Chinese, in particular, could bring to bear.

**Admiral Greenert:** The criticism of the littoral combat ship is they say it's not survivable and it doesn't have enough lethality. I would tell you this, the ship today by all the tests that it has gone through, all the required tests, is living up to what we asked the builder to design to and build to the specifications.

So the question is, well, we want you to rethink that. It is built to replace what we call a frigate. It's just short of a football field in length. We call it a small surface combatant. And we said we wanted something agile and flexible that you could put -- it would be modular. You could do anti-submarine warfare, bring it into port, and 72 hours later send it out and do mine warfare, bring it into port and in 72 hours or less send it out and do anti-surface. That would be swarming, small boats and that. Again, we're on that track.

The concept of survivability, it kind of has three factors. One, how susceptible are you to getting hit? If somebody shoots something at you either you can run away from it, you're agile and you're moving, or you shoot it down.

Number two, once you get hit, how vulnerable are you? Do you have enough pay [long], fire systems, anti-flooding systems?

Then lastly, can it recover? Can you take that hit and return to port or do you want to keep fighting? What is your design?

We designed that ship to take a hit and be able to retire, to go home. So far it's living up to that.

Secretary Hagel said take another look as we look at the follow-on that we're going to build, and that's what we're doing this summer.

**Question:** Admiral Greenert, regarding the defense -- I'm Emma Varnett from Deloitte Consulting. A question regarding the defense industrial base, actually.

You were quoted saying you had concern regarding supply chain visibility and your concern going down to parts, particularly I think in regard to your submariners, where you didn't really have visibility into Bob's the submarine valve shop. To what tier do you really have visibility, and how much of a security concern is that for you?

**Admiral Greenert:** What I was concerned about were second and third tier vendors, people that make specialized valves for high pressure hydraulics, high pressure air, radioactive liquid. And also nuclear instrumentation chips and those kind of components. One-half of all of the folks that build nuclear material are sole source. That means there's one of them. That's the visibility that I think we need to have because I'd like to know how are you doing. Because if I cause you to go out of business by the way I'm ordering or by a loss of industrial base, I'm in big trouble. I have to reconstitute that. That is very pricy.

So how much visibly do I have? We have good visibility down to all the vendors. What I don't have visibility is how are you doing. And how do we work together to buy efficiently and effectively to keep these guys running.

**Question:** John Moore, I'm a lieutenant colonel, Air Force, retired.

We talked about the Chinese naval power. What about the Russians? Now that they have the Crimea and several years back they were talking about increasing the size, going back and putting more money into their navy. How is that looking?

**Admiral Greenert:** Well, in the naval sense the Russians have invested quite a bit, a billion U.S. dollars, in their industrial base to build submarines first and then surface ships. So they are pretty much focused on first, a proper strategic deterrent, and then a submarine force that is effective to protect it. They've been very up front about that and have shown that yes, in fact, that's what they're doing.

I would assume the surface combatants would come next. I haven't seen much of their air or their intentions with regard to their naval air.

They have more operating money, therefore more fuel. Therefore you will see and hear more about them flying more because that's just money they didn't have before.

**Moderator:** I'm going to take the opportunity to ask the last question myself. That is the following. This is a period in which the Russians are behaving aggressively in Ukraine, and keep going through, ignoring the signals we're trying to send. This is a period in which China is behaving aggressively in its sphere in East Asia.

Are you concerned that the credibility of American power -- not talking about American power itself, but the credibility of American power is diminished? And is there anything you'd like to see as a naval officer to address that?

**Admiral Greenert:** In the world that I live in and that I control I would tell you that we don't see that aggressiveness at sea toward us. I see the Russian Navy has been professional, with very few exceptions. And on those exceptions we've provided a demarche, which is a complaint, if you will, through the State Department, at behavior outside the norms to which they agreed. And they've responded to those and behaved.

The Chinese have recently, you mentioned the near collision. There's follow-on to that story. After that near collision, the commanding officer of the aircraft carrier in English called over and said what's going on over there? The commanding officer of the Cowpens which was the U.S. cruiser involved in this near collision, said I'm over here minding my business more or less in international waters operating. They worked it out from there. And this defused this.

So I'm not saying, David, that there isn't a trend here of aggression and that we don't have some work to do which I've talked about early in this session. We do. I'm just not seeing it against us as if we're somehow diminished in the maritime domain.

**Moderator:** Let me close with a disclosure. Last year the Secretary of the Navy announced that he was going to build a new guided missile destroyer, Arleigh Burke class, called the USS Paul R. Ignatius named after my dad who was Secretary of the Navy under President Johnson and who is a combat veteran of World War II. I know if my dad were here he would say, it's great, but Admiral Greenert, if you can't afford it, don't build it.

**Admiral Greenert:** Well, that's a good point and I turn to America and say you know, we have to decide what kind of Navy do we want, and what kind of seapower do we want, and what are we willing to pay for it? But whatever it is, I would leave you with this. Our sailors remain astounding. They are amazing people, they're innovative, they are smart, and they're driven. They joined for a purpose and they are out there feeling that what they're doing is important and resilient. I take it as my sole responsibility to take good care of them, to enable them, and to, as we say, accelerate their lives because we've got to do that right. That's the foundation of our Navy and what has always made it great, and the difference. Thanks.

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